

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**PARTIAL JOINDER OF AD HOC GROUP OF CONSTITUTIONAL DEBTHOLDERS IN
AD HOC GROUP OF GENERAL OBLIGATION BONDHOLDERS' RESPONSE TO
OMNIBUS MOTION BY OFFICIAL COMMITTEE OF UNSECURED CREDITORS ET
AL. TO EXTEND TIME FOR SERVICE OF SUMMONSES AND COMPLAINTS AND
TO STAY CERTAIN ADVERSARY PROCEEDINGS**

To the Honorable United States District Court Judge Laura Taylor Swain:

1. The Ad Hoc Group of Constitutional Debtholders (the “Ad Hoc Group”)² joins in all but section B and the second clause of the conclusion of the response filed by the Ad Hoc Group of General Obligation Bondholders (the “GO Group Response”)³ to the *Omnibus Motion by Official Committee of Unsecured Creditors, Financial Oversight and Management Board, and its Special Claims Committee to Extend Time For Service of Summonses and Complaints and To Stay*

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² This joinder is submitted on behalf of BlackRock Financial Management, Inc.; Candlewood Investment Group, LP; Deutsche Bank Securities, Inc.; Emso Asset Management Limited; First Pacific Advisors, LLC; Mason Capital Management, LLC; Silver Point Capital, L.P.; and VR Advisory Services, Ltd.

³ Capitalized terms used but not otherwise defined shall have the meanings provided for such terms in the GO Group Response.

Certain Adversary Proceedings Related to Certain Challenged GO Bonds [Docket No. 6857] (the “Stay Motion”).

2. The Stay Motion asks the Court to, among other things, extend the time to serve summonses and complaints in seven lien-avoidance adversary proceedings, *see* Adv. Proc. Nos. 19-00291 through 19-00297 (collectively, the “Lien Avoidance Actions”),⁴ and indefinitely stay litigation of the Lien Avoidance Actions. In sum, the Stay Motion asks the Court to adopt a procedurally-irregular solution to purported problems of Movants’ own making. As set forth in the GO Group Response, Movants have not shown that completing service within the 90-day deadline in Federal Rule of Civil Procedure 4(m) would be impossible or impractical, nor have they offered any persuasive reason to indefinitely delay resolution of the Lien Avoidance Actions. Those actions address critical gating issues, the resolution of which is a necessary predicate to the formulation of a confirmable plan of adjustment.

3. For these reasons and those in the portions of the GO Group Response that the Ad Hoc Group joins, the Ad Hoc Group respectfully requests that the Court deny the Stay Motion’s requests with respect to the Lien Avoidance Actions.

4. The Ad Hoc Group and its members hereby reserve all rights with respect to the Stay Motion, including with respect to the GO Group Response or any other objections, responses, joinders, or replies thereto, as well as the merits of each Lien Avoidance Action.

[Signature page follows]

⁴ The relief requested here is limited to those Lien Avoidance Actions in which members of the Ad Hoc Group were named as defendants, which are: Adv. Pro. Nos. 19-00291, 19-00292, 19-00295, 19-00296, and 19-00297.

Dated: May 28, 2019

G. CARLO-ALTIERI LAW OFFICES, LLC

By: /s/ Gerardo A. Carlo

Gerardo A. Carlo

USDC PR No. 112009

Telephone: (787) 247-6680

gacarlo@carlo-altierilaw.com

By: /s/ Kendra Loomis

Kendra Loomis

USDC PR No. 227408

Telephone: (787) 370-0255

loomislegal@gmail.com

254 San Jose St., Third Floor

San Juan, Puerto Rico 00901

Telephone: (787) 247-6680

Facsimile: (787) 919-0527

MORRISON & FOERSTER LLP

By: /s/ Gary S. Lee

James M. Peck (admitted *pro hac vice*)

Gary S. Lee (admitted *pro hac vice*)

James A. Newton (admitted *pro hac vice*)

Lena H. Hughes

Andrew R. Kissner (admitted *pro hac vice*)

250 West 55th Street

New York, New York 10019

Telephone: (212) 468-8000

Facsimile: (212) 468-7900

jpeck@mofo.com

glee@mofo.com

jnewton@mofo.com

lhughes@mofo.com

akissner@mofo.com

-and-

Joseph R. Palmore

2000 Pennsylvania Avenue, NW

Washington, D.C. 20006

Telephone: (202) 887-6940

Facsimile: (202) 887-0763

jpalmore@mofo.com

Counsel for the Ad Hoc Group of Constitutional Debtholders